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The American Inventors Protection Act: How Should the Courts Treat the “Substantially Identical” Requirement of the New Provisional Rights Statute?

I. BACKGROUND

In November of 1999, Congress enacted the American Inventors Protection Act (“AIPA”) as part of the Intellectual Property and Communications Omnibus Reform Act of 1999 (“Omnibus Reform Act”).¹ The AIPA institutes several important changes to the Patent Act and brings the United States’ patent law into greater harmony with the rest of the industrialized world.²

Subtitle E of the AIPA, entitled “Domestic Publication of Patent

1. Intellectual Property and Communications Omnibus Reform Act of 1999, Pub. L. No. 106-113, 113 Stat. 1501A-521 (1999). Specifically, the AIPA is found in Title IV of the Omnibus Reform Act. *See* 113 Stat. 1501A-522, 522-588 (1999).

2. The Patent Act is codified at 35 U.S.C. §§ 1-376.

Global harmonization of national patent laws has been the subject of much interest for well over a decade. In 1985, the World Intellectual Property Organization (“WIPO”) Committee of Experts on the Harmonization of Certain Provisions in Laws for the Protection of Inventions began meeting to propose a draft treaty for achieving such harmonization. 41 PAT. TRADEMARK & COPYRIGHT J. (BNA) 231 (Jan. 10, 1991). The Committee of Experts introduced its first draft in 1990, proposing, among other things, that member countries automatically publish pending applications within at least twenty-four months of filing and adopt a first-to-file system. *Id.* In 1990, the U.S. Secretary of Commerce established an advisory commission to consider changes to the U.S. patent system. 44 PAT. TRADEMARK & COPYRIGHT J. (BNA) 502 (Sept. 17, 1992). The final report of the Commission included several recommendations for change, including instituting a system for publishing pending applications within twenty-four months of filing. *Id.* In 1992, bills directed toward harmonizing certain provisions of the U.S. patent law with the rest of the world were introduced in both the House and the Senate. 44 PAT. TRADEMARK & COPYRIGHT J. (BNA) 3 (May 7, 1992). The proposed legislation included, among other things, an eighteen-month publication requirement. *Id.* Again in 1994, a bill was introduced providing for eighteen-month publication and provisional rights. 48 PAT. TRADEMARK & COPYRIGHT J. (BNA) 599 (Oct. 6, 1994). In 1996, Senator Hatch introduced the Omnibus Patent Act of 1996 to the Senate. 52 PAT. TRADEMARK & COPYRIGHT J. (BNA) 320 (July 18, 1996). The Omnibus Patent Act of 1996 included provisions for the publication of patent applications within eighteen-month of filing, unless the patent was only to be filed in the U.S. *Id.* In 1997, the 21st Century Patent System Improvement Act was introduced to Congress. 21st Century Patent System Improvement Act, H.R. 400, available at <http://thomas.loc.gov> (January 9, 1997). This legislation contained publication and provisional rights provisions that essentially parallel those found in the AIPA. *See infra* note 23 and accompanying text.

Although the AIPA stops short of instituting a first-to-file patent system, the provisions of Subtitle E of the AIPA bring the United States’ patent law into greater harmony with the patent systems of most other industrialized countries.

Applications Published Abroad," establishes new laws related to the publication of domestic applications.³ In particular, section 4502 of Subtitle E requires the United States Patent and Trademark Office ("USPTO") to automatically publish domestic patent applications, which are or will be the subject of a foreign filing in a country that publishes pending applications within eighteen-months of their effective filing date, within eighteen-months of their earliest priority date.⁴

Subtitle E represents an almost complete break from the long-established practice in the United States of maintaining all applications filed in the USPTO in confidence until the patent

3. 113 Stat. 1501A-561 (1999).

4. Section 4502 is codified in amended 35 U.S.C. § 122. Section 122(b) of Title provides, in part:

(b) Publication-

(1) In general: (A) Subject to paragraph (2), each application for a patent shall be published, in accordance with procedures determined by the Director, promptly after the expiration of a period of 18 months from the earliest filing date for which a benefit is sought under this title. At the request of the applicant, an application may be published earlier than the end of such 18-month period . . .

(2) Exceptions: (A) An application shall not be published if that application is — (i) no longer pending; (ii) subject to a secrecy order under section 181 of this title; (iii) a provisional application filed under section 111(b) of this title; or (iv) an application for a design patent filed under chapter 16 of this title.

(B)(i) If an applicant makes a request upon filing, certifying that the invention disclosed in the application has not and will not be the subject of an application filed in another country, or under a multilateral international agreement, that requires publication of applications 18 months after filing, the application shall not be published as provided in paragraph (1). (ii) An applicant may rescind a request made under clause (i) at any time. (iii) An applicant who has made a request under clause (i) but who subsequently files, in a foreign country or under a multilateral international agreement specified in clause (i), an application directed to the invention disclosed in the application filed in the Patent and Trademark Office, shall notify the Director of such filing not later than 45 days after the date of the filing of such foreign or international application. A failure of the applicant to provide such notice within the prescribed period shall result in the application being regarded as abandoned, unless it is shown to the satisfaction of the Director that the delay in submitting the notice was unintentional . . .

35 U.S.C. § 122(b) (1994 & Supp. V 2000).

Normally, the priority date of a patent application is the filing date of the application. The filing date is considered to be the date that the application is received by the USPTO or the date the application was deposited with the United States Postal Service, if delivered by "Express Mail." 37 C.F.R. § 1.6 ("Receipt of Correspondence"). However, under the Patent Act (Title 35), an applicant can claim the benefit of the filing date of an earlier filed application under certain circumstances. See e.g. 35 U.S.C. §§ 119-122, 356 (1994 & Supp. V 2000).

Most countries publish pending applications within 18 months of their earliest priority date. See John F. Duffy et al., *Early Patent Publication: A Boon or Bane? A Discussion on the Legal and Economic Effects of Publishing Applications After Eighteen Months of Filing*, 16 CARDOZO ARTS & ENT. L.J. 601, 602-03 (1998).

issues.⁵ Under the pre-existing system, patent applicants could file and prosecute their patent application before the USPTO in secrecy.⁶ If the patent claims were not allowed, the applicant could retain his invention as a trade secret if he so desired. However, this practice is no longer possible under the AIPA (at least if the patent is to be foreign filed), as the patent application will be available to the public at least eighteen-months from filing.⁷

The publication of patent applications prior to issuance of the patent permits competitors not only to see and design around the disclosed technology, but also gives competitors the ability to make and use the disclosed technology before a patent issues without legal recourse by the applicant. The rights of a patent holder, i.e., the rights to prevent others from making, using, offering for sale, or selling a patented invention, do not arise until a patent is issued.⁸ Thus, potential infringers can appropriate technologies disclosed in published applications for their own benefit and without recourse, provided that the infringing activity ceases before the patent issues.⁹ In order to at least partially close this loophole, Congress

5. Applicants may opt out of early publication by filing an affidavit certifying that the invention will not be the subject of a foreign filing. 35 U.S.C. § 122(b)(2)(B) (1994 & Supp. V 2000). See also 37 C.F.R. § 1.213 ("Non Publication Requests").

6. All U.S. patent applications are subjected to examination by the USPTO prior to issuance. During examination, a USPTO patent examiner will review the claims and specification of the pending application and either allow or reject the claims based on the requirements of the Patent Act and the existing prior art. If the examiner rejects one or more claims in the application, the applicant is given a chance to respond to the rejection by making appropriate amendments and/or arguing against the rejection. If the examiner accepts the amendments/arguments, the claims will be allowed and the patent can be issued upon payment of the required fees. This "negotiation" process between the examiner and the applicant in moving the application from filing to issuance is termed "prosecution" of the patent application. The record of correspondence between the USPTO and the applicant (i.e., the prosecution history), including all amendments and arguments made by the applicant in obtaining allowance of the claims of an application, are contained in the application's "file wrapper." Under the pre-existing system, the file wrapper was maintained in confidence if a patent did not issue. Under Subtitle E of the AIPA, copies of the file wrapper contents can be available for public inspection at the time the application is published. See 37 C.F.R. 1.14 (c)(2) ("File Wrapper and Contents").

7. If the applicant claims priority from an earlier foreign filed or provisional application, the application could be published in as little as fourteen weeks from the actual filing of the non-provisional, domestic application. *Helpful Hints Regarding Publication of Patent Applications*, 1249 USPTO O.G. 83 (August 21, 2001), available at <http://www.uspto.gov/web/offices/com/sol/og/2001/week34/pathint.htm> (August 21, 2001). If the applicant does not claim priority, and does not opt out of publication, the application will publish eighteen months after filing. *Id.* An applicant can also request an earlier publication. 35 U.S.C. § 122(b)(1)(A) (1994 & Supp. V 2000). See also 37 C.F.R. § 1.219 ("Early Publication Requests").

8. See 35 U.S.C. § 271 (1994 & Supp. V 2000).

9. See Philippe Signore, *The New Provisional Rights Provision*, 82 J. PAT. & TRADEMARK

enacted section 4504 of the Subtitle E, creating "provisional rights" that allow an applicant to collect "reasonable royalties" for the unauthorized making, using, offering for sale, or selling of a published invention during the time period between publication of the patent application and issuance of a patent on that application.¹⁰

Although provisional rights compensate an applicant for actions occurring between publication and issuance, provisional rights do not accrue until the patent is issued, and then only to the extent that the "invention as claimed in the patent is *substantially identical* to the invention as claimed in the published patent application."¹¹ However, the AIPA lacks any express guidance as to

OFF. SOC'Y 742, 742-43 (October 2000) (discussing an illustrative case, *National Presto Indus., Inc. v. The West Bend Co.*, 76 F.3d 1185 (Fed. Cir. 1996)).

10. Section 4504 of the AIPA is codified in amended 35 U.S.C. § 154. Section 154(d) of Title 35 provides, in part:

(d) Provisional Rights —

(1) In General. — In addition to other rights provided by this section, a patent shall include the right to obtain reasonable royalty from any person who, during the period beginning on the date of publication of the application for such patent under section 122(b), or in the case of an international application filed under the treaty defined in section 351(a) designating the United States under Article 21(2)(a) of such treaty, the date of publication of the application, and ending on the date the patent is issued —

(A)(i) makes, uses, offers for sale, or sells in the United States the invention as claimed in the published patent application or imports such an invention into the United States; or (ii) if the invention as claimed in the published patent application is a process, uses, offers for sale, or sells in the United States or imports into the United States products made by that process as claimed in the published patent application; and (B) had actual notice of the published patent application and, in a case in which the right arising under this paragraph is based upon an international application designating the United States that is published in a language other than English, had a translation of the international application into the English language.

(2) Right Based on Substantially Identical Inventions. — The right under paragraph (1) to obtain reasonable royalties shall not be available under this subsection unless the invention as claimed in the patent is substantially identical to the invention as claimed in the published patent application

35 U.S.C. § 154(d) (1994 & Supp. V 2000).

11. 35 U.S.C. § 154(d)(2) (1994 & Supp. V 2000) (emphasis added). For statutory language, see *supra* note 10. Under 35 U.S.C. § 154(d)(1)(B), the applicant must also provide the would-be infringer with *actual notice* of the published patent application to collect reasonable royalties. Although the statute itself does not define "actual notice," the legislative history suggests that actual notice requires, at least, that the applicant serve the would-be infringer with a copy of the published application and identify the activity that the applicant believes gives rise to provisional rights. As discussed in the Section-by-Section Analysis of House Bill H.R.1907:

The requirement of actual notice is critical. The mere fact that the published application is included in a commercial database where it might be found is insufficient. The published applicant must give actual notice of the published application to the accused infringer and explain what acts are regarded as giving rise

how the courts should interpret and apply the "substantially identical" requirement. Although the legislative history of the AIPA and earlier related legislation gives some insight into what Congress contemplated by this requirement, the courts have not yet interpreted or applied this standard.¹² This comment will consider how the courts should construe and apply the substantially identical requirement of the provisional rights statute in view of the policy considerations surrounding both the early publication of patent applications and the granting of provisional rights.

II. POLICY CONSIDERATIONS SHAPING THE EARLY PUBLICATION OF PATENT APPLICATIONS

The Domestic Publication of Patent Applications Published Abroad Act (Subtitle E) targets for publication applications that have been or will be published as foreign filings, in part, to level the playing field with competitors in those foreign countries.¹³ Because patent applications filed in most foreign countries will be published in the native language prior to issuance, foreign inventors and competitors are given a head-start on design-around and improvement activities, thereby creating a so called "pipeline" of U.S. technology to foreign countries.¹⁴ U.S. inventors, however, do

to provisional rights.

American Inventors Protection Act of 1999, H.R. 1907, H.R. REP. NO. 106-287, Section-by-Section Analysis, at 39-69 (1999) *available at* <http://thomas.loc.gov> (Aug. 3, 1999).

How the courts will treat this requirement, like the substantially identical requirement, is the subject of speculation.

12. Cf. 4 DONALD S. CHISUM, CHISUM ON PATENTS § 11.02[4][e] Supp., n.59 (2001) (commenting that "[t]he 'substantially identical' standard will undoubtedly create difficult issues").

13. See Paul A. Ragusa, *Eighteen Months to Publication: Should the United States Join Europe and Japan By Promptly Publishing Patent Applications?* 26 GEO. WASH. J. INT'L L. & ECON. 143, 165-68 (1992).

14. *Id.* at 151. "In the United States, there is a concern that early disclosure of U.S. technology enables Japanese companies to make minor improvements on published and unprotected technology and to file their own patent applications. This situation has been described as a 'pipeline' that feeds Japan with U.S. technology." *Id.* (internal citations omitted).

The problem is described in the Background and Need section of the House Report on the AIPA as follows:

While our foreign competitors are able to see the latest U.S. patent technology in their native language barely six months after a U.S. inventor files a patent application in their country, the reverse is not true. U.S. researchers and investors are denied the opportunity to learn what their foreign competitors are working on until a U.S. patent issues. This causes duplicative research and wasted developmental expenditures, putting U.S. inventors at a serious disadvantage *vis-a-vis* their foreign counterparts and competitors.

not have the same opportunity to "preview" technologies contained in U.S. applications because the U.S. traditionally has not published patent applications.¹⁵ The early publication provisions of the AIPA rectify this imbalance by giving U.S. inventors similar access to the information contained in U.S. patent applications.

If an applicant does not file his application in a foreign country that publishes applications, however, there is no threat that foreign competitors will have earlier access to the technology than their U.S. counterparts. Accordingly, the AIPA carves out an exception to the automatic publication requirement for applicants that intend to file only in the U.S.¹⁶ This domestic-only exception also serves to assuage the concerns of "small entity" inventors who fear that early publication of applications might permit large corporate competitors to capitalize on their inventions before the patent issues, thereby diminishing or destroying the value of their technology.¹⁷ Typically, small entity inventors only file in the U.S. because they often do not have the funds to file foreign patent applications. By permitting inventors who file only in the U.S. (or other non-publishing countries) to opt out of the early publication process, small entity inventors will have the opportunity to decide whether participation in the early publication process is beneficial to their business.

Other policy concerns addressed by early publication include, for example, surfacing "submarine patents." Submarine patents are patents issued on applications filed in the USPTO well before the enabling technologies are developed to take advantage of the invention, or before the market for that invention has been developed. The application is kept pending in secrecy in the USPTO for many years, even decades, by exploiting the prosecution process, until the technology ripens. Once the technology ripens, the patentee allows the "submarine" to "surface" (i.e., issue as a patent) and uses the patent to hold the market captive.¹⁸

H.R. REP. NO. 106-287, Background and Need for the Legislation, at 31-33.

15. See *supra* notes 6-7 and accompanying text.

16. 16. 35 U.S.C. § 122(b)(2)(B)(i). See *supra* note 4 for statutory language.

17. See Len S. Smith, Note, *Promoting the Progress of Science and America's Small Entity Inventors: Inventing an Improved U.S. Patent Application Publication Provision Out of the Prior Art*, 77 WASH. U. L.Q. 585, 600 (Summer 1999). One particular concern is that large corporate competitors will be able to produce non-infringing "secondary products" based on the disclosure, and that such products will seriously erode the value of the patent. *Id.* Furthermore, small entity inventors are concerned that publication of a pending application will erode the value of the potential protection, thereby limiting ability of small entities to attract venture capital money based on their intellectual property. *Id.*

III. POLICY CONSIDERATIONS SHAPING THE PROVISIONAL RIGHT STATUTE

The provisional rights afforded under the AIPA provide applicants with a mechanism to seek compensation for the unauthorized copying of their published invention.¹⁹ As previously discussed, without provisional rights an applicant would have no recourse under the Patent Act for activities occurring prior to issuance, or even after the patent issued, because no enforceable patent existed at the time the infringing activity occurred. In other words, as of the date of publication, an applicant cannot prevent others from making, using, offering for sale, or selling the invention disclosed in the published application. Such rights arise only after the patent is issued. Thus, provisional rights do not protect the patentee's rights as a patent holder, because no such rights exist prior to issuance. Instead, the provisional rights legislation encourages participation in the early publication process and deters would-be infringers.²⁰

The substantial identity requirement of the provisional rights legislation tempers the motivational function of granting provisional rights by ensuring that the claims of the published application provide reasonable notice to the public as to what the applicant believes to be the bounds of his invention. The requirement circumscribes the ability of the inventor to recover, as explained:

[an] important limitation on the availability of provisional royalties is that the claims in the published application that

18. *Id.* at 596. Other rationales for pre-grant publication include reducing "uncertainty among investors and industry as a whole with respect to the extent of the art that already exists" and "stimulating innovation and improvements upon prior technology." Ragusa, *supra* note 13, at 174.

19. The compensation provided for in section 154(d) is reasonable royalties. *See supra* note 10 (statutory language). Reasonable royalties are the least amount a successful plaintiff can collect for infringement of a valid patent. *See* 35 U.S.C. § 284 (1994 & Supp. V 2000). Congress rejected a broader range of remedies for provisional rights, such as injunctive relief and lost profits. Signore, *supra* note 9, at 757. Further, section 284 of the Patent Act, which provides that a court may award treble damages at its discretion, does not apply to awards under the provisional rights section. 35 U.S.C. § 284.

20. *See* Signore, *supra* note 9, at 755-59. However, Signore argues that the deterrent effect of the provisional rights statute is minimal because reasonable royalties are simply not sufficient to deter copying. "The idea of paying reasonable royalties to a small inventor only after the copier has lost a million dollar law suit does not strike terror into the heart of a large entity with a full time staff of attorneys and would not likely discourage any large entity from infringing." *Id.* at 755 (quoting *The Omnibus Patent Act of 1997: Hearings on S.507 Before the Subcomm. on Government Programs and Oversight of the Committee on Small Business*, 105th Cong. (1997) (testimony of Mr. Kramer, Vice President of the Alliance for American Innovation)).

are alleged to give rise to provisional rights must also appear in the patent in substantially identical form. To allow anything less than substantial identity would impose an unacceptable burden on the public. If provisional rights were available in the situation where the only valid claim infringed first appeared in substantially that form in the granted patent, the public would have no guidance as to the specific behavior to avoid between publication and grant. Every person or company that might be operating within the scope of the disclosure of the published application would have to conduct her own private examination to determine whether a published application contained patentable subject matter that she should avoid. The burden should be on the applicant to initially draft a schedule of claims that gives adequate notice to the public of what she is seeking to patent.²¹

Thus, Congress apparently desired the substantial identity requirement to compel an applicant to provide adequate notice to the public of that which he believes to be his invention. As a consequence, the burden on the public with respect to determining what actions should be avoided is lessened.

IV. LEGISLATIVE UNDERSTANDING OF THE PROVISIONAL RIGHTS' CLAIM-IDENTITY REQUIREMENT

As discussed above, provisional rights are available to a patentee if, *inter alia*, "the invention as claimed in the patent is substantially identical to the invention as claimed in the published patent application."²² While Congress did not expressly define the term "substantially identical" in the AIPA, guidance regarding Congress' understanding of this "claim-identity" requirement can be found in House Committee Report 105-39 addressing the 21st Century Patent System Improvement Act, which is the forerunning legislation to the AIPA.²³ According to this House Report, "the requirement for

21. H.R. REP. NO. 106-287, Section-by-Section Analysis, at 39-69.

22. 35 U.S.C. § 154(d)(2) (1994 & Supp. V 2000). See *supra* note 11 and accompanying text.

23. 21st Century Patent System Improvement Act, or H.R. 400, was introduced in the 105th Congress. H.R. REP. NO. 105-39 (1997) available at <http://thomas.loc.gov> (March 20, 1997). According to the Background and Need section of the House Bill introducing the AIPA to the 106th Congress, H.R. 1907, the lineage of the AIPA can be traced back to H.R. 400 and its companion legislation S.507. H.R. REP. NO. 106-287, Background and Need for the Legislation, at 31-33. See *supra* note 2.

Title II of H.R. 400 (entitled "Examining Procedure Improvements: Publication with Provisional Royalties; Term Extensions; Further Examination") contained many of the

'substantial identity' in this section is based, by analogy, upon the decisional law for establishing intervening rights under the reissue statute."²⁴

The reissue statute is found in sections 251 and 252 of the Patent Act.²⁵ Under the reissue statute, a patentee may obtain a reissued patent for the purpose of correcting some error or defect in a previously issued patent.²⁶ To obtain a reissue patent, the patentee must surrender his original patent and submit a reissue application for *de novo* examination by the USPTO.²⁷ A request for reissue can be made, for example, to correct errors in the original patent, including errors in overclaiming or underclaiming.²⁸ Thus, claim amendments during reissue can either narrow (i.e., correct an overclaiming error) or broaden (i.e., correct an underclaiming error) the scope of the patent claims.²⁹

According to the first paragraph of section 252, insofar as the claims of the reissued patent are "substantially identical" to the claims of the original patent, the surrender of the original patent will not extinguish any cause of action then existing against

provisions found in Subtitle E of the AIPA. Significantly, the provisions introduced into the Patent Act by the AIPA concerning the creation of provisional rights and the substantially identical requirement (now found in 35 U.S.C. §154(d)) are almost verbatim reproductions of portions of section 204 (entitled "Provisional Rights") of Title II. 143 CONG. REC. H1629-01, H1650 (April 17, 1997). *See also*, Signore, *supra* note 9, at n.32 (noting that "[t]he provisional rights provision proposed in S.507 [is] identical in substance to new 35 U.S.C. § 154(d) . . . [c]onsequently, the legislative history of S.507 . . . is relevant to interpreting 35 U.S.C. §154(d)"). Accordingly, this comment will refer to the Committee Report for H.R. 400 for aid in understanding the substantially identical requirement.

24. H.R. REP. No. 105-39 (1997).

25. 35 U.S.C. §§ 251-52 (1994 & Supp. V 2000).

26. The reissue statute provides, in pertinent part:

[w]henever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Director shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent.

35 U.S.C. § 251.

27. *Id.*

28. *See* J. Christopher Carraway, *The Uncertain Future of Enforcing Patents that Have Been Broadened Through Reissue*, 8 FED. CIR. B.J. 63, 65 (Summer 1998) (discussing overclaiming and underclaiming errors). *See also supra* note 26 (statutory language).

29. Broadening amendments can only be made within two years from the grant of the original patent. *See* 35 U.S.C. § 251 (stating that "[n]o reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent").

infringers.³⁰ Moreover, to the extent that the reissued patent's claims are *substantially identical* to those of the original patent, "the reissued patent . . . shall constitute a continuation thereof and have effect continuously from the date of the original patent."³¹

While the legislative history surrounding the AIPA suggests that the claim-identity requirement of the new provisional rights legislation should be construed by the courts in a manner analogous to the courts' construction of the reissue statute's claim-identity requirement; no cases have been decided yet interpreting the new legislation. However, as discussed below, because the provisional rights statute implicates different policy considerations than the reissue statute, other factors must influence the courts' application of the substantially identical requirement in the case of provisional rights.

V. BREAKING DOWN THE REISSUE ANALOGY: POLICY, CONSTRUCTION & APPLICATION OF THE CLAIM-IDENTITY REQUIREMENT IN REISSUE

A. *Policy Considerations Shaping the Reissue Claim-Identity Requirement*

Section 252 of the Patent Act provides that a reissue patent be given the same effect and operation as if the patent had been originally granted in that form, provided that the claims in the reissue patent are "identical" to the original claims.³² In *Seattle Box*

30. 35 U.S.C. §252 ¶1 (1994 & Supp. V 2000). The complete statutory language reads as follows:

[t]he surrender of the original patent shall take effect upon the issue of the reissued patent, and every reissued patent shall have the same effect and operation in law, on the trial of actions for causes thereafter arising, as if the same had been originally granted in such amended form, but in so far as the claims of the original and reissued patent are substantially identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissue patent, to the extent that its claims are substantially identical with the original patent, shall constitute a continuation thereof and have effect continuously from the date of the original patent.

Id.

31. *Id.* Prior to the enactment of the Omnibus Reform Act, section 252 referred only to claims that were "identical" with those in the original patent. In the Omnibus Reform Act, Congress added the modifier "substantially" to the term "identical" to codify years of case law interpreting the term "identical" in then existing section 252. See H.R. REP. NO. 105-39 (explaining that "[i]n section 252 of title 35, the term 'identical' has, heretofore, been used without qualification, but the courts have interpreted that term to encompass claims that are 'substantially identical.' That standard . . . has now been explicitly codified in section 252 . . . by a conforming amendment.") (citing *Slimfold Mfg. Co., Inc. v. Kinkead Indus., Inc.*, 810 F.2d 1112 (Fed. Cir. 1987)). See also *Signore, supra* note 9, at 752-53.

32. See *supra* note 30 and accompanying text. For clarity, the terms "identical" and

Company v. Industrial Crating & Packing, the Federal Circuit Court of Appeals discussed Congress' motivation for enacting the first paragraph of section 252.³³ According to the court, prior to Congress' enactment of section 252, holders of reissued patents could not sustain an infringement action for any act done prior to the reissue.³⁴ This result stemmed from the Supreme Court's interpretation of the then-existing statutory language, which required reissued patents to be considered new patents, enforceable only with respect to causes of action accruing after reissue.³⁵ Because a patentee had to surrender his original patent to obtain the reissue patent, once the reissue patent issued, the original patent no longer existed and the courts "acted . . . as if the original patent never was."³⁶

However, this interpretation had the discordant effect of preventing a patentee from enforcing his patent rights prior to reissue, even where the changes made on reissue had no meaningful effect on the scope of coverage of the claims. As a consequence, Congress enacted the first paragraph of section 252 "to ameliorate the harsh effect of a patent's surrender"³⁷ Under this section, Congress permitted "the claims of . . . [a] reissue patent to reach back to the date the original patent issued" under certain circumstances, that is, when the claims in the reissue patent were "identical" to the claims in the original patent.³⁸

The reissue statute's claim-identity requirement strikes a balance between a patentee's rights to enforce his patent and the public's right to rely on the claims set forth in the original patent.³⁹ Because the claims of a patent define the boundaries of protection granted by the patent, the claims provide notice to the public of what the

"substantially identical" will be used interchangeably. See *supra* note 31 (discussing the interchangeability of these terms).

33. 731 F.2d 818 (Fed. Cir. 1984). See *supra* note 30 for complete statutory language.

34. *Seattle Box*, 731 F.2d at 827 (referencing Federico, *Intervening Rights in Patent Reissues*, 30 GEO. WASH. L. REV. 603, 605 (1962)). See also 4 DONALD S. CHISUM, CHISUM ON PATENTS § 15.02[7] (2001).

35. "[I]f a re-issue is granted, the patentee has no rights except such as grow out of the re-issued patent. He has none under the original. That is extinguished [N]o damages can be recovered for any acts of infringement committed prior to the re-issue." Peck v. Collins, 103 U.S. (13 Otto.) 660, 664 (1881) quoted in 4 DONALD S. CHISUM, CHISUM ON PATENTS § 15.02[7] (2001).

36. *Seattle Box*, 731 F.2d at 827.

37. *Id.*

38. *Id.*

39. Reliance on the patent system is a recurring theme in patent policy. See Carraway, *supra* note 28, at 70-75.

patentee regards as his own.⁴⁰ To avoid infringing on the claims a granted patent, a competitor can design around, i.e., outside the scope of, the claims of an issued patent. Nevertheless, because a patentee can change the scope of his original claims through reissue, the previously non-infringing activities may be found to infringe the claims contained in the reissue patent.⁴¹ A competitor will rely on the claims of the original patent in conducting his work; therefore inequity would result in permitting the patentee to retroactively enforce the "new" claims of the reissue patent against the competitor for activities taking place prior to reissue.⁴² However, the same inequity does not exist when the reissued claims are identical to the original claims. Accordingly, section 252 permits the claims of a reissue patent to relate back to the date that the original patent was issued, so long as the reissue claims are "identical" to the original claims.⁴³

40. The Patent Act requires that an applicant for a patent "particularly point out and distinctly . . . [claim] the subject matter which the applicant regards as his invention." 35 U.S.C. §112 ¶ 2 (1994 & Supp. V).

41. See *supra* notes 26-31 and accompanying text (discussing claim amendments in reissue).

42. Also, section 252 provides for intervening rights. 35 U.S.C. § 252 ¶ 2. Intervening rights arise when a competitor's previously non-infringing activity becomes an infringing one based upon a reissue patent with broadened claims. *Id.* A court, in equity, may permit the competitor to continue the infringing activity, even after the issuance of the reissue patent, based upon the competitor's earlier non-infringing conduct. See e.g. *Seattle Box Co., Inc. v. Indus. Crating and Packaging, Inc. ("Seattle Box II")*, 756 F.2d 1574, 1579 (Fed. Cir. 1985) (considering result on remand of *Seattle Box* and discussing intervening rights).

43. Similar considerations arise in the context of reexamination. In reexamination, an issued patent is subject to a new examination by the USPTO based upon a showing of a substantially new question of patentability. See 37 C.F.R. § 1.510 ("Request for Reexamination"). During the reexamination proceedings, new claims may be added and the original claims in the patent may be modified. 37 C.F.R. § 1.530(d) ("Making Amendments in a Reexamination Proceeding"). After reexamination, the USPTO will issue a certificate that cancels claims found to be unpatentable and confirms claims found to be patentable. 35 U.S.C. § 307 (1994 & Supp. V 2000).

As set forth in 35 U.S.C. § 307(b):

[a]ny proposed amended or new claim determined to be patentable and incorporated into a patent following a reexamination proceeding will have the same effect as that specified in § 252 . . . for reissued patents on the right of any person who made, purchased, or used within the United States . . . anything patented by such proposed amended or new claim . . . prior to issuance of a certificate . . . [of reexamination].

35 U.S.C. § 307(b).

In *Kaufman Co., Inc. v. Lantech, Inc.*, the Federal Circuit adopted the *Seattle Box* "without substantive change" standard for determining whether claims, which were amended in a reexamination proceedings, would be given effect prior to the issuance of the certificate of reexamination. *Kaufman Co., Inc. v. Lantech, Inc.*, 807 F.2d 970, 975-77. (Fed. Cir. 1986). In *Kaufman*, the Federal Circuit affirmed the lower court's finding that the amendments made during reexamination *did not change the scope of the claims*, but merely clarified the original

Thus, the clear purpose of the reissue claim-identity requirement is two-fold: (1) to protect both the patentee's rights as a patent holder; and (2) to safeguard the public's reliance on the patent system.⁴⁴

B. Judicial Construction & Application of the Reissue Claim-Identity Requirement

In *Seattle Box*, the Court of Appeals for the Federal Circuit directly addressed the construction and application of the claim-identity requirement of the reissue statute.⁴⁵ Although the Federal Circuit stopped short of deciding exactly what the term "identical" meant, the court announced, "[i]t is clear . . . that 'identical' means, at most, 'without substantive change.'" ⁴⁶

The Federal Circuit further elaborated on the construction of this claim-identity requirement in subsequent cases. In *Slimfold Manufacturing v. Kinkead Industries*, the court stated that it is the scope of the claims that must be identical, not the words used.⁴⁷ Thus, no *per se* rule exists to prevent a reissue claim from having continuous effect from the date of the original patent as a result of amending the claim language.⁴⁸ In *Bloom Engineering v. North American Manufacturing*, the same court observed: "There is no absolute rule for determining whether an amended claim is legally identical to an original claim. An amendment that clarifies the text of . . . [a] claim or makes it more definite without affecting its scope is generally viewed as identical for the purpose of § 252."⁴⁹

Further, in *Laitram v. NEC*, the Federal Circuit posed the pertinent inquiry into whether claims were legally identical (i.e., "without substantive change") as follows: "[t]o determine whether a

claim. *Kaufman*, 807 F.2d at 977. Accordingly, the reexamined claims were given continuous effect from the date of the original patent. *Id.*

44. The Federal Circuit has observed that the reissue provisions of the Patent Act are "based on fundamental principles of equity and fairness and should be so applied to the facts in any given case that justice will be done both to the patentee and to the public." *Slimfold*, 810 F.2d at 1116 (quoting *In re Willingham*, 282 F.2d 353, 354-55 (CCPA 1960)).

45. *Seattle Box*, 731 F.2d at 827.

46. *Id.* at 827-28 (emphasis in original).

47. *Slimfold*, 810 F.2d at 1115. See also *Bloom Engineering Co., Inc. v. North American Mfg. Co., Inc.*, 129 F.3d 1247, 1250 (Fed. Cir. 1997) (stating that "'[i]dentical' does not mean verbatim . . .").

48. *Slimfold*, 810 F.2d at 1116.

49. *Bloom Engineering*, 129 F.3d at 1250. Although *Bloom Engineering* arose in the context of reexamination, as opposed to reissue, the same claim-identity standard applies, and courts have cited reissue precedent in reexamination cases and vice versa. See *supra* note 43 (discussing reexamination *vis-a-vis* reissue).

claim change is substantive it is necessary to analyze the claims of the original and the reexamined patents in light of the particular facts, including the prior art, the prosecution history, other claims, and any other pertinent information."⁵⁰

The Federal Circuit's application of the reissue claim-identity requirement in *Seattle Box* illustrates how the "without substantive change" construction supports reissue policy. In *Seattle Box*, both parties were engaged in the business of providing oil pipe bundling services.⁵¹ *Seattle Box*, the plaintiff, developed a bundling system to enable oil companies to safely ship pipe of varying lengths and diameters.⁵² In particular, the plaintiff's bundling system consisted of tiers of parallel wood beams, called "sleepers," supporting lengths of pipes that were separated by spacer blocks having a double-concave configuration.⁵³ The spacer blocks were positioned between adjacent lengths of pipe to provide both horizontal separation between the pipes and vertical separation between adjacent sleepers.⁵⁴ As initially claimed in *Seattle Box*'s patent application, the spacer blocks were to have a "height substantially equal to the thickness of the tier of pipe lengths."⁵⁵ However, during prosecution, the patent attorney for *Seattle Box* inexplicably amended the claim to require the spacers to have a height "greater than the diameter of the pipe."⁵⁶ Thus, as originally issued, the claims to *Seattle Box*'s bundling system required the spacer blocks to have a height greater than the diameter of the pipe.

Approximately two years after the original patent issued, *Seattle Box* successfully obtained a reissue patent, wherein the claims involving the spacer blocks were broadened to encompass spacers having a "height substantially equal to or greater than the thickness of the tier of pipe length."⁵⁷ However, during the two years between the grant of the original patent and the reissued patent, the defendant began producing a similar bundling system. To avoid infringing on the claims of the original *Seattle Box* patent, the

50. *Laitram Corp. v. NEC Corp.* ("*Laitram IV*"), 163 F.3d 1342, 1347 (Fed. Cir. 1998) (quoting *Laitram Corp. v. NEC Corp.* ("*Laitram I*"), 952 F.2d 1357, 1362-63 (Fed. Cir. 1991)). The *Laitram* cases arose in the context of reexamination. See *supra* notes 43 (discussing reexamination *vis-a-vis* reissue).

51. *Seattle Box*, 731 F.2d at 819.

52. *Id.* at 820.

53. *Id.* at 821.

54. *Id.* at 820-21 & figs. 1-4.

55. *Id.* at 821.

56. *Seattle Box*, 731 F.2d at 821.

57. *Id.* at 822.

defendant's spacer blocks were made approximately one-sixteenth of an inch *less* than the diameter of the pipes.⁵⁸

Prior to reissue, Seattle Box sued the defendant for infringement of the original patent.⁵⁹ After receiving its reissued patent, Seattle Box amended its complaint to allege infringement under the reissued patent as well.⁶⁰ Judgment was entered against the defendant for infringement from the date of the *original* patent.⁶¹ However, on appeal the Federal Circuit Court of Appeals reversed the trial court's award of damages for infringement prior to the granting of reissue.⁶²

After announcing that the term "identical" in the reissue statute "means, *at most*, 'without substantive change,'" the Federal Circuit specifically found that "Seattle Box, in broadening its claims' scope to cover not only spacer blocks 'greater than' but also 'substantially equal to' the diameter of the pipes in a bundle . . . made [a] substantive change to its claims."⁶³ Accordingly, because Seattle Box made a substantive change to its claims during reissue, the reissued claims were not entitled to reach back to the date of the original patent.⁶⁴

The result in *Seattle Box* is consistent with the policy considerations that influenced the inclusion of the claim-identity requirement in the reissue statute.⁶⁵ Because the defendant relied on the claims as they appeared in the *originally issued patent* to develop what was believed to be a non-infringing alternative to Seattle Box's bundling system, to allow Seattle Box to subsequently

58. *Id.* at 828. On advice of the defendant's patent counsel, the blocks were to have a height *at least* one-sixteenth of an inch less than the diameter of the pipes. *Id.*

59. *Id.* at 820.

60. *Id.*

61. *Seattle Box*, 731 F.2d at 820.

62. *Id.* at 828.

63. *Id.* at 827-28.

64. In other words, when Seattle Box surrendered its original patent to obtain the reissue, the claims of the original patent ceased to exist. After reissue, only the claims of the reissue patent could be enforced against infringement, and only from the time of the reissue, unless the reissue claims were "identical" (i.e., without substantive change) to claims in the original patent. As discussed above, under section 252, if the claims are identical, the reissue claims are permitted by legislative grace to reach back to the date of the original patent, and therefore, the reissue claims can be enforced from the date of the original patent. However, because the court determined that Seattle Box made substantive changes to its claims during reissue, the identity requirement of section 252 could not be met; thus, Seattle Box could only sue for infringing activities that occurred after reissue. Additionally, *Seattle Box* addressed the question of intervening rights for infringing activities occurring after the reissue. See *Id.* at 828-30.

65. See *supra* notes 39-44 and accompanying text.

broaden its claims through reissue to cover the defendant's previously non-infringing activity and collect damages for the time period prior to reissue would be inequitable. More generally, the public must be permitted to rely on the patent system and issued patents to understand how far the patentee's rights extend. Here, the notice function that an issued patent performs is a significant policy concern. Accordingly, in applying the claim-identity requirement to reissued patents, the courts have denied continuous effect to reissued claims where the *scope* of the claim was changed during reissue.⁶⁶

While this construction and application of the claim-identity requirement in reissue cases serves to protect reliance on the patent system while vindicating the patentee's rights, as discussed below, such a construction has the potential to unduly constrain the functioning of the provisional rights statute.

VI. DEFICIENCIES IN EXTENDING REISSUE PRECEDENT TO THE PROVISIONAL RIGHTS STATUTE: *SEATTLE BOX* REVISITED

As is evident from the foregoing policy discussion, the inclusion of the substantial identity requirement, in both the reissue and provisional rights statutes, strikes a balance between the interests of the public and the interests of the patentee. However, the nature of the interest at stake in each instance differs.

In a reissue, the public has a compelling interest in the ability to rely upon the claims of an issued patent in order to direct their work.⁶⁷ The weight of this interest justifies the courts' relatively strict approach to substantial identity in that the claims of a reissue patent are denied reach-back effect if not identical in scope to those originally issued. Interestingly, in the case of provisional rights, the public's interest in relying on the published claims is less compelling. Specifically, because the claims of the published application have not yet undergone a thorough examination by the USPTO, the public's reliance on the scope of the claims of a published applicant is unwarranted. Moreover, the public should be aware that the claims of published applications are likely to change during prosecution. Accordingly, a strict approach to substantial

66. See generally 4 DONALD S. CHISUM, CHISUM ON PATENTS § 15.05[4] & Supp. (2001) (discussing intervening rights and narrowing reissues).

67. "The claims, specification, and file history . . . constitute the public record of the patentee's claims, a record on which the public is entitled to rely." Vitronics Corp. v. Conceptronics, Inc., 90 F.3d 1577, 1583 (Fed. Cir. 1996) quoted in Carraway, *supra* note 28, at 71.

identity is less justified.⁶⁸

Additionally, because amendments affecting the scope of an application's claims are routinely made during prosecution, a strict approach to the claim-identity requirement would effectively deny provisional rights to a vast number of applicants, regardless of the reasons for which the amendments were made. Under such circumstances, the offer of provisional rights would hold little sway to either motivate participation in the publication/patenting process or deter copying of the published invention.⁶⁹ As a consequence, the provisional rights statute would become a virtual nullity.

In sum, if provisional rights are denied when any amendment affecting the *scope* of a claim is made, the interests of the patentee will not be adequately protected, while those of the public will be overprotected. The incongruity of extending case law construing the claim-identity requirement of the reissue statute to cases involving provisional rights can be illustrated by reconsidering the result in *Seattle Box*, this time in the context of the provisional rights statute.

As discussed above, *Seattle Box* addressed when the claims of a reissue patent should be permitted to be operative as of the grant date of the original patent.⁷⁰ Specifically, in *Seattle Box*, the court denied continuous effect to the reissue claims because the patentee made a substantive change to the scope of the claims by *broadening* them during reissue. Because a substantive change was made, the reissue claims were deemed not to be identical to the original claims, and therefore did not meet the statutory requirement for reach back.⁷¹

68. At least one commentator has observed that because section 252 permits a patentee to broaden the claims of his patent for up to two years after issuance, even in the case of reissue the public cannot "truly rely on the claims of a patent until two years have elapsed from the original issuance" Carraway, *supra* note 28, at 72-73. Moreover, "[t]he purpose of the law that a broadening reissue must be applied for within two years after a patent grant is to set a limited time after which the public may rely on the scope of the claims of an issued patent." *Id.* at 73 (quoting *In re Fotland*, 779 F.2d 31, 33 (Fed. Cir. 1985)). Thus, Carraway notes that "competitors are actually discouraged from relying on the claim language and designing around those claims until two years have passed without a reissue." *Id.* at 73. How much more should competitors *not rely* on the claims of an *unexamined patent application*!

69. See *supra* note 20 (discussing at least one commentator's view that the award of reasonable royalties, regardless of how the statute is construed, provides little motivation or deterrence).

70. See *supra* notes 19-21 and accompanying text (discussing policy considerations surrounding awarding provisional rights).

71. As previously discussed, this result is generally consistent with the policy considerations surrounding the reissue statute. The public should be permitted to rely on the

Had *Seattle Box* arisen in the context of provisional rights, instead of reissue, and the court adopted reissue precedent for construing the claim-identity requirement of the provisional rights statute, the patentee (*Seattle Box*) similarly would have been denied relief.⁷² When this result is considered in isolation, the application of the reissue precedent seems to produce the correct result. However, a more thorough consideration of the effect of applying reissue precedent to provisional rights cases, particularly in light of the pertinent policy considerations, demonstrates the deficiency of this approach. Consider the following hypothetical situations adapted from *Seattle Box*.⁷³

A. *Broadening Amendments During Prosecution*

1. *Hypothetical One ("H1")*

Seattle Box files a patent application containing claims that recite a bundling system comprising spacer blocks with a height that is *greater than* the diameter of the pipe to be bundled. Under the new publication provisions of the AIPA, the application is subsequently published eighteen-months from its earliest priority date.⁷⁴ During prosecution, however, *Seattle Box* amends the claims to recite a spacer with a height *substantially equal to or greater than* the diameter of the pipe to be bundled. The amendments clearly *broaden* the scope of the claims that were initially published in the application. A patent subsequently issues on the published application with the broadened claims.

Assume now that *after* publication of the application and *prior* to issuance of the *Seattle Box* patent, the defendant begins making and selling a bundling system similar to that disclosed in the published application, but with one modification. Instead of using spacers having a height greater than the diameter of the pipe, the defendant's bundling system uses spacer blocks having a height one-sixteenth of an inch *less than* the diameter of the pipe.

claims of an issued patent to direct his activities. It would be inequitable to permit a patentee to broaden the claims of an original patent during reissue to encompass previously non-infringing activities by extending the reach of the broadened reissue claims back to the date the original patent was issued. See *supra* notes 32-38 and accompanying text.

72. More specifically, because in *Seattle Box* the claims were broadened, they would not be "without substantive change" and, thus, not substantially identical.

73. See *supra* notes 51-64 and accompanying text for further discussion of *Seattle Box*.

74. For sake of argument, I will assume that *Seattle Box* either did not or could not opt out of publication. For more information on opting out of publication, see *supra* notes 16-17 and accompanying text.

2. Hypothetical Two ("H2")

In the second hypothetical, the facts are the same as in H1, except that the defendant, instead of making bundling systems having spacer blocks with a height one-sixteenth of an inch *less than* the diameter of the pipe, the blocks have a height that is one-sixteenth of an inch *greater than* the diameter of the pipe.

3. Applying the "Without Substantive Change" Standard to H1 and H2

Applying the "without substantive change" standard to both hypothetical situations, Seattle Box (the patentee) would be denied reasonable royalties under 35 U.S.C. § 154(d). That is, the claims in the published application will be deemed to be *not substantially identical* to the claims in the issued patent because the *scope* of the claims was *broadened* during examination. Under the reissue case law, the claims are not "without substantive change," and therefore, not substantially identical to those originally published. Accordingly, one of the statutory prerequisites for obtaining provisional rights will not be met — the claims are not substantially identical.

While this result seems proper in the case of H1, because the defendant attempted to legitimately design around the published claims, in the case of H2, the result plainly frustrates the policy considerations behind the provisional right statute. As previously discussed, the award of provisional rights should function to motivate participation in the pre-issuance publication process and deter copying, while the substantial identity pre-requisite should ensure that the patentee adequately notifies the public of what he believes to be his invention at the time of publication. In the above hypothetical situations, the patentee appears to have met his obligation under the patent process by specifically claiming spacers with heights greater than the diameter of the pipes. While in H1 the defendant legitimately designed around the claims by making the height of his spacers slightly smaller than the diameter of the pipe, the defendant in H2 did not. In fact, the defendant in H2 unabashedly copied the published invention by making spacers having a height slightly greater than the diameter of the pipe. Yet, in *both* cases, the defendant will not be liable to Seattle Box for reasonable royalties under the provisional rights statute. In H1, the defendant is not liable because (1) the scope of the claim changed during prosecution (i.e., the claims are not substantially identical); and (2) the defendant designed around the claims (i.e., the

defendant's pre-issuance activities did not infringe upon the claims of the published application). In H2, however, the defendant is not liable solely because of how the substantial identity requirement is applied.⁷⁵

The application of the reissue standard for claim-identity unmistakably thwarted both the deterrent and motivational functions of the provisional rights standard in H2. Consequently, the defendant is allowed to make use of the published invention during the pre-issue period without legal recourse by the patentee, despite that the defendant had full notice that he was practicing what the patentee regarded as his invention at the time the application was published. This result simply does not reconcile the interests involved in the provisional rights situation. As discussed *infra*, although less incongruous, a similar unacceptable result is obtained when narrowing amendments are considered.

B. Narrowing Amendments During Prosecution

1. Hypothetical Three ("H3")

Seattle Box files a patent application containing claims reciting a bundling system comprising spacer blocks with a height that is *substantially equal to or greater than* the diameter of the pipe to be bundled. The application is published eighteen-months from its earliest priority date. During prosecution, Seattle Box amends the claims to recite a spacer having a height that is *greater than* the diameter of the pipe to be bundled. The amendments clearly *narrow* the scope of the claims as compared to the published claims. A patent subsequently issues on the published application with the narrowed claims.

Assume now that after publication of the application and prior to issuance of the original Seattle Box patent, the defendant begins making and selling a bundling system similar to that in the published application; however, the defendant's bundling system uses spacer blocks having a height one-sixteenth of an inch *less than* the diameter of the pipe.

2. Hypothetical Four ("H4")

In the fourth hypothetical, the facts are the same as given in

75. This situation is greatly simplified to highlight the fundamental problem of applying the "without substantive change" construction in the context of provisional rights. Competently drafted, the issued patent in H2 would contain claims of equivalent scope to those published, and provisional rights would be granted. However, the fundamental deficiency of applying the reissue standard in provisional rights cases remains.

above in H3, except that instead of the defendant making bundling systems having spacer blocks with a height one-sixteenth of an inch less than the diameter of the pipe, the blocks have a height that is one-sixteenth of an inch *greater than* the diameter of the pipe.

3. *Applying the "Without Substantive Change" Standard to H3 and H4*

Again applying the reissue claim-identity standard to both hypothetical situations, Seattle Box would likely be denied any claim to reasonable royalties because the claims in the published application will be deemed to not be substantially identical to the claims in the issued patent; in other words, because the scope of Seattle Box's claims was narrowed during examination, the claims would likely be found to not be without substantive change. This is true, in both H3 and H4, wherein the defendant's pre-issue activities would likely be determined to have infringed on the claims of the published application, either literally or possibly, by equivalents.⁷⁶

Arguably, the results of applying the reissue precedent in both H3 and H4 are not wholly inconsistent with the function of the provisional rights statute. Because the claims were narrowed during prosecution, and even though the defendant's post-publication activities would likely be held to infringe the published claims, one could easily argue that Seattle Box did not carry its burden of informing the public of what it believed to be its invention. As a result, the defendant had "no guidance as to the specific behavior to avoid between publication and grant."⁷⁷

Furthermore, an estoppel argument against granting provisional rights in such a circumstance could also be made under the facts of H3. For example, because the patentee limited the scope of his claims during prosecution to exclude the defendant's activities from the scope of the patent, the patentee should be estopped from recovering reasonable royalties from the defendant. That is, it

76. See *infra* note 80. Infringement under the doctrine of equivalents protects a patentee in a situation where a would-be infringer makes an insubstantial change to a claim element so as to take his activities out of the *literal* scope of the claims to avoid infringement. Under the doctrine of equivalents, a patentee can enforce his patent against such activities, despite that the offending activity does not literally infringe on the claims of the patent. It has been said, "[t]he essence of the doctrine [of equivalents] is that one may not practice a fraud on the patent." *Graver Tank & Manufacturing Co. v. Linde Air Products Co.*, 339 U.S. 605, 608 (1950).

77. H.R. REP. NO. 106-287, Section-by-Section Analysis. See *supra* note 21 and accompanying text.

would not be equitable to permit the patentee to recapture the rights he surrendered during prosecution via the provisional rights statute.⁷⁸

However, the estoppel argument does not apply to H4; although the patentee similarly narrowed the claims, the assertion of provisional rights would not recapture subject matter that the patentee relinquished during prosecution. In other words, the patentee cannot be said to have given up his rights to the aspect of his invention at issue because the defendant's pre-issuance activities in H4 infringe both the claims of the *published application* and the claims of the *issued patent*. The same cannot be said in H3; the defendant's activities did *not infringe* the claims *as patented*.

VII. MOVING TOWARDS A POLICY-BASED CONSTRUCTION OF THE CLAIM-IDENTITY REQUIREMENT OF THE PROVISIONAL RIGHTS STATUTE

Although one can argue for the extension of the reissue precedent based on the notice function of publishing applications, such an argument fails to comprehend all of the policy considerations involved in the provisional rights legislation. Construing the provisional rights' claim-identity requirement in accordance with the reissue precedent fails to adequately express the deterrent and motivational functions of granting provisional rights, while at the same time over-emphasizes the interest of the public in pre-issuance notice of potentially patentable inventions.⁷⁹

Similarly, another incomplete outcome results if the claim-identity requirement is construed solely in terms of estoppel.

78. Estoppel arguments are found in other established patent doctrines, such as, the "recapture rule," which limits a patentee's ability to obtain broadened claims during reissue, and prosecution history estoppel, which limits the application of the doctrine of equivalents in claim construction. The recapture rule "prevents a patentee from regaining through reissue the subject matter that he deliberately surrendered in an effort to obtain allowance of the original patent." Carraway, *supra* note 28, at 76 (quoting *In re Clement*, 131 F.3d 1464, 1468 (Fed. Cir. 1997)). The Federal Circuit defines prosecution history estoppel as follows:

Prosecution history estoppel is one tool that prevents the doctrine of equivalents from vitiating the notice function of claims. Actions by the patentee, including claim amendments and arguments made before the Patent Office, may give rise to prosecution history estoppel. Prosecution history estoppel precludes a patentee from obtaining under the doctrine of equivalents coverage of subject matter that has been relinquished during the prosecution of its patent application.

Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki, 234 F.3d 558, 564 (Fed. Cir. 2000) (internal citations and quotations omitted).

79. As previously discussed, the public's interest in notice and reliance upon the claims in an unexamined patent application are less compelling than its interest in an issued patent. See *supra* notes 67-69 and accompanying text.

As discussed above, in H3 the patentee would be estopped from recapturing subject matter that he lost during prosecution via the provisional rights statute. However, in H4 the patentee would not be precluded from seeking compensation under the provision right statute because he would not be attempting to recapture lost matter. Nonetheless, in H4 the question remains whether the public had sufficient notice based upon the claims in the application to reasonably determine what activities to avoid.

As demonstrated by the foregoing hypothetical situations, the reissue standard for determining claim-identity is ill adapted to confront the policy concerns surrounding the provisional rights statute. More specifically, because various policy considerations are involved, the claim-identity analysis employed in provisional rights cases must encompass policy goals not embodied in the reissue statute. In particular, the claim-identity analysis must communicate both the deterrent and motivational aspects of the provisional rights policy, in addition to the more general policy underlying patent publication: namely, early notice to the public for guidance in research and development activities.

An alternative construction of the provisional rights' substantial identity requirement that integrates the policy goals of publishing applications (i.e., early notice) and granting provisional rights (i.e., to deter copying and encourage patenting/publication) is necessary to achieve those goals. Instead of requiring the claims in the published application be substantially identical in *scope* to the claims in the issued patent to satisfy the substantially identical requirement, a more balanced inquiry is proposed *infra*. The inquiry is cast in two-parts: the first part accounts for both the deterrent and motivational policy goals; and the second part accounts for the notice function of publication.

A. A Proposed Infringement Inquiry

Under the two-part inquiry, the patentee will first be required to demonstrate that the defendant's pre-issue activities infringe on a claim both *as published in the application* and *as issued in the patent*.⁸⁰ This inquiry seeks to ensure not only that a patentee will

80. This leaves open another question — how will the courts address the issue of "infringement" in the context of provisional rights? Courts must assess whether the acts believed to give rise to provisional rights constitute the making, using, offering for sale, or selling of "the invention as *claimed in the published application*." 35 U.S.C. § 154(d)(1)(A)(i)-(ii). Although substantial case law exists regarding infringement on the claims in an issued patent, no U.S. case law exists regarding infringement on unexamined claims in a published application. Extending the developed principles of infringement to provisional

be unable to recapture subject matter relinquished during prosecution via the provisional right statute, but also to ensure that a patentee's reasonable expectations of recovery under the provisional rights statute are met.

If a defendant's pre-issuance activities infringe on both a claim in the published application and a corresponding claim in the issued patent, a patentee will not be prohibited from asserting provisional rights merely because he made a scope-changing amendment to his claims. Thus, the situation as delineated in H2 is avoided. An infringer could not directly copy, or make insubstantial modifications to, the invention as claimed in the published application and avoid liability merely because the patentee changed the scope of his claims during prosecution. Accordingly, the inventor's reasonable expectations for collecting royalties for one copying his invention can be safeguarded.⁸¹ Furthermore, because under this inquiry a patentee could make changes to the scope of the published claims during prosecution and still recover under the provisional rights statute, this test recognizes the reality of patent prosecution, and therefore does not require the patentee to be able to predict exactly what the examiner will allow during prosecution.

Finally, this first inquiry also serves to reinforce the deterrence function of granting provisional rights.⁸² Because competitors could potentially be found liable for reasonable royalties under the provisional rights statute if they copy the claims of a published application, regardless if scope-changing amendments are made, competitors will be encouraged to undertake legitimate design-around initiatives.⁸³

rights cases is not necessarily straightforward. Of particular interest is how the courts will deal with "infringement by equivalents" under the doctrine of equivalents and prosecution history estoppel when dealing with provisional rights. See *supra* notes 76 (discussing the doctrine of equivalents) & 78 (discussing prosecution history estoppel).

81. This portion of the test also incorporates the notice function of publication to some extent. An inventor will not be able to draft overly broad initial claims in the hope of ensnaring an infringer, subsequently narrow the claims during prosecution to recite his true invention, and collect reasonable royalties under the provisional rights statute if the inventor in the process "gives up" that portion of the invention being practiced by another. The patentee will have to draft claims of reasonable scope to define his invention.

82. After all, the intent of publication is not to promote copying, but to encourage technological advancement. See e.g. Carraway, *supra* note 28, at 596.

83. At least one commentator has criticized an inquiry based solely on infringement of a claim in the published application and in the issued patent as placing "an unacceptable burden on the public." *American Inventors Protection Act and H.R. 1225: Hearings before the Subcomm. on Courts and Intellectual Property & Committee on the Judiciary*, 106th Cong (1999) (testimony of Michael K. Kirk, Executive Director of the American Intellectual Property Law Association) available at <http://www.aipla.org/html/hr1225testimony.html>

B. A Proposed Notice Inquiry

If the defendant's pre-issuance activities are found to infringe on both a claim in the published application and a corresponding claim in the issued patent, a court should then determine whether the claim, as published in the application, gave the defendant adequate notice of what the patentee regarded as his invention, i.e., did the patentee carry his burden of adequately informing the public. Under this inquiry, if the patentee made no scope-changing amendments to his claims, the published claims should be deemed to provide adequate notice to the defendant of the patentee's invention. However, if scope-changing amendments were made, a more exacting inquiry should be undertaken.

In the case of *broadening* amendments, the task of the patentee to prove adequate notice should be relatively easy. Although the claims were broadened during prosecution, the broadened claims encompass the more narrow claims that were originally published. Consequently, the defendant cannot argue that he was left in the position of guessing what would ultimately be patented, and the patentee will be found to have given adequate notice.⁸⁴

Consider again the hypothetical situation set forth in H2. Here, patentee-Seattle Box should be able to demonstrate that the published claims, which recited spacers with a height greater than the diameter of the pipe, adequately provided notice to the defendant of the invention as ultimately patented — i.e., spacers with a height substantially equal to or greater than the diameter of the pipe. Simply stated, the defendant chose to infringe on those

(March 25, 1999). In particular, Mr. Kirk stated permitting recovery based solely on infringement of a claim in the published application and a claim in the issued patent would: allow an applicant to include a single, extremely broad claim — even a clearly unpatentable claim — in the published application and then leave it to the applicant's competitors to a) imagine what the applicant might ultimately claim and b) conduct their own private examination to determine whether any such imagined claim that the competitor might infringe would be valid. This would unfairly shift the applicant's responsibility of identifying patentable subject matter to the public, resulting in wasteful and speculative effort.

Id.

The concerns expressed by Mr. Kirk are addressed in the present proposal by requiring the courts to also make a determination as to whether the patentee has carried his burden of "identifying patentable subject matter," in addition to demonstrating infringement of both a claim in the application and a claim in the issued patent, before granting provisional rights.

84. Bear in mind that to get to the second part of the inquiry, the patentee must have already demonstrated that the defendant's pre-issuance activities infringed upon the claims as published and as issued. Thus, where the defendant infringed upon the relatively narrow scope of the published claims, it would be difficult to find that the patentee did not provide the defendant with adequate notice.

claims and risked of being held liable for reasonable royalties for such actions.

In the case of *narrowing* amendments, the patentee's task will be more difficult. Specifically, because the patentee narrowed the scope of his claims during prosecution, the claims that finally issued do not include all subject matter initially claimed. Thus, a court could hold that the defendant necessarily had to speculate as to what was ultimately patentable. To establish that the patentee gave sufficient notice, the patentee should be prepared to, for instance, point to specific examples in the published application, or the disclosed best mode, to demonstrate that the public was not made to bear the burden of determining what the inventor considered to be his invention. Other factors that the court should consider in this inquiry include: the prior art disclosed by the patentee; the other claims in the published application; and the prosecution history, including the extent and reason for any amendments to the scope of the claims.

This notice inquiry also incorporates and reinforces the statutory requirement that the patent applicant give *actual notice to the defendant* of the published application before reasonable royalties can be collected under the statute.⁸⁵ For example, as part of the notice inquiry, the patentee should be allowed to demonstrate that he gave some particularized notice to the defendant particular activities of the defendant were believed to infringe upon specific claims in the published application.⁸⁶ If the patentee can successfully establish that the defendant's activities infringed on both a claim in the published application and a corresponding claim in the issued patent, and that the patentee gave sufficient notice as to what the patentee regarded as his invention, the claims should be deemed to be "substantially identical," and the patentee should receive reasonable royalties under the provisional rights

85. Under the provisional rights statute, damages can only be collected for activities that occur *after* actual notice has been given. See *supra* note 11 (discussing the actual notice requirement). Thus, if an applicant believes that someone is infringing on a published claim, the applicant must notify the would-be infringer, prior to issuance of the patent, in order to collect reasonable royalties. If no notice is given before issuance, no royalties can be collected, even if all other statutory prerequisites for granting provisional rights have been met. *Id.*

86. While the notice prong of the two-part inquiry proposed in this comment is, in part, a function of the defendant's knowledge, policy considerations justify such a "subjective" approach. The fact that the provisional rights statute requires the patentee to give actual notice to the defendant regarding the published application specifically places the defendant's knowledge in question. In other words, the actual notice provision suggests an inquiry based upon the defendant's knowledge and not merely that of the public at large.

statute.

VIII. CONCLUSION

Congress, in providing for the early publication of U.S. patent applications, has permitted the public to see what is in the “patent pipeline” so as to prevent wasting research and development resources, and to enable legitimate design around activities. However, the public does not have the same compelling interest in being able to rely on the claims of an unexamined, published application as it does in relying on the claims of issued patents. Accordingly, holding a patentee in a provisional rights case to the reissue standard for claim-identity is improper and, moreover, defeats the purpose of awarding provisional rights in the first place.

The provisional rights remedy is not automatic; it does not accrue until the patentee establishes some right to the published invention by obtaining a patent, and then only to the extent that the patentee gave sufficient notice to the public of what was likely to be patented. The above infringement/notice inquiry recognizes this by requiring the patentee to prove that the defendant’s activities infringe on both a claim in the issued patent and a corresponding claim in the published application. Thus, the patentee must not have given up rights to the invention as practiced by the defendant during prosecution of his application. Also, by requiring the court to make a determination of whether sufficient notice was given, the public’s interest in early notification can be protected.

“A patent by its very nature is affected with a public interest,”⁸⁷ and that the “success [of the U.S. intellectual property system] is dependent upon a rational and sound policy of protecting intellectual property by encouraging the development of new inventions and processes.”⁸⁸ The claim-identity requirement of the provisional rights statute should be applied so as to give effect to the interests the statute is meant to vindicate. Artificially extending the case law construing and applying the reissue claim-identity requirement to provisional rights cases will not give effect to those interests, and is not sound policy. Despite that the same words — “substantially identical” — express the requirement in both statutes,

87. *Precision Instrument Mfg. Co. v. Automotive Maintenance Mach. Co.*, 324 U.S. 806, 816 (1945) *quoted in* Smith, *supra* note 17, at 585. *See also* 37 C.F.R. §1.56(a).

88. American Inventors Protection Act of 1999 H.R. 1907, H.R. REP. NO. 106-287, Background and Need for the Legislation, pages 31-33, (1999) *available at* <http://thomas.loc.gov> (Aug. 3, 1999).

policy considerations demonstrate that the statutes are not *in pari materia* and should not be treated as such by the courts.

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